

PHASE I ENVIRONMENTAL SITE ASSESSMENT

of

**PROPOSED PARCEL ADDITIONS NO. 1 & 2
230 NORTH MAIN STREET
MILPITAS, CALIFORNIA 95035**

Prepared for:

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PEI Project #04-1286

Issue Date: August 18, 2004

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PHASE I ESA EXECUTIVE SUMMARY OVERVIEW Proposed Parcel Additions Parcel No. 1 & 2 230 North Main Street, Milpitas, CA					
Section Topic	No RECs Identified	Non-REC Issue Identified	RECs Identified	Phase II Recommended	Comments
Historical Usage	✓				
Regulatory Database Review (on-site)	✓				
Regulatory Database Review (nearby sites)			✓		Adjoining properties include 4 LUST sites. Potential exists for low concentrations of petroleum hydrocarbons in subsurface soils and groundwater on Parcels 1 and 2.
On-site Operations	✓				
Haz. Mat. Handling	✓				
Haz. Waste Handling	✓				
USTs/ASTs	✓				
ACMs	✓				
LBP/Lead in H ₂ O	✓				
PCBs	✓				
Radon	✓				
Other	✓				

SECTION I.

EXECUTIVE SUMMARY & RECOMMENDATIONS

Pinnacle Environmental, Inc. (PEI) was retained by Apton Properties, LLC (Client) to perform a Phase I Environmental Site Assessment (Phase I ESA or Assessment) of two parcels adjoining the north (Parcel 1) and south (Parcel 2) of 230 North Main Street in Milpitas, California. At the time of the August 5, 2004 site visit, Parcel 1 was a triangular shaped parcel that was a portion of the Railroad Avenue right-of-way and Parcel 2 was a rectangular parcel that was part of the Weller Lane right-of-way. Both parcels were mostly paved with asphalt except for a narrow undeveloped grassy strip abutting both sides of the 230 North Main Parcel. The subject parcels are located on Main Street at the eastern corners of Railroad Avenue and Weller Lane, within a commercial and residential area.

This Phase I ESA was performed in accordance with the scope and limitations of the American Society for Testing and Materials (ASTM) Phase I ESA Standard E1527-2000, the scope of work defined in this report, as well as the signed service agreement. The following summarizes PEI's independent conclusions and best professional judgment based upon information available to us during the course of this Assessment.

Based upon the limited site reconnaissance, historical review, regulatory records review, and other information detailed within this report, this Assessment identified the following evidence of ASTM Recognized Environmental Conditions (RECs) or other issues in connection with the subject property:

- ◆ Parcel 1 and Parcel 2 (subject property) are proposed to be combined with the existing commercial property located at 230 North Main Street and adjoin that property to the north and south, respectively. Historically, 230 North Main Street (currently vacant) was operated by Standard Oil/Chevron as a bulk oil facility and fuel service station from prior to the 1920s to the mid-1970s. Former ASTs and USTs were utilized on the 230 Main Street property. According to previous reports the former underground and aboveground storage tanks (USTs and ASTs), loading rack, and dispenser islands had been removed from this site, but there is no evidence that these former operations extended onto the subject parcels. Previous site characterization activities have included 15 soil borings and installation of four groundwater monitoring wells at the 230 Main Street property. Groundwater was consistently encountered at 5 to 8 feet below ground surface with a gradient to the northwest. Based on the attenuating, low levels of petroleum hydrocarbons reported in the on-site wells, Chevron requested that the site be considered for case closure in September 1998. The Santa Clara Valley Water District (SCVWD) issued a closure letter for the subject property dated December 28, 1998. The SCVWD letter stated, "The subject fuel leak case is closed". However, the letter states that "residual petroleum hydrocarbon contamination is present in the soil and groundwater at this site". The letter concludes: "Based on information in the above-referenced file and with the provisions that the information provided to this agency was accurate and representative of site conditions, no further action related to the underground tank release is required."

- ◆ Parcel 1 is located to the north of 230 North Main Street and extends into the Railroad Avenue right-of-way. Based on the previous site characterization efforts at the adjoining 230 North Main Street site, Parcel 1 is directly downgradient from three former ASTs associated with the former Chevron fuel facility. Historical assessment near Parcel 1 on the 230 North Main Street property included two soil borings (B-3 and B-4) and the installation of a monitoring well (MW-1) in the location of B-3. Historical concentrations in MW-1 have indicated concentrations of total petroleum hydrocarbons as diesel (TPHd) and kerosene (TPHk) at 510 and 270 parts per billion (ppb), respectively. No benzene, toluene, ethylbenzene, or xylene (BTEX) or TPH as gasoline (TPHg) components were noted in groundwater samples from MW-1. Based on the proximity of MW-1 to Parcel 1, it is likely that low concentrations of TPHd and TPHk may be found in shallow groundwater beneath Parcel 1. In addition, it would appear the source of the petroleum hydrocarbons are from the former ASTs and USTs associated with the Chevron fueling facilities located on the 230 North Main Street property to the south.
- ◆ Parcel 2 is located to the south of 230 North Main Street and extends into the Weller Lane right-of-way. Based on the previous site characterization efforts at 230 North Main, Parcel 2 is upgradient from the former Chevron fuel facility and likely would not be significantly impacted by former petroleum hydrocarbon releases at the northern adjoining facility. However, Parcel 2 is located potentially downgradient from three other former LUST sites including: Milpitas Senior Center (160 North Main Street), Old Corporate Yard (116 North Main Street), and Milpitas Transmission (a.k.a Michael's Auto Repair at 130 Winsor Street). The 116 and 160 North Main Street sites are both owned by the city of Milpitas and are listed as "other groundwater affected-case closed". Milpitas Transmission at 130 Winsor Street is listed as "other groundwater affected-pollution characterization". Due to impact to groundwater at all three of these apparently downgradient LUST sites, there is the potential that groundwater beneath Parcel 2 is impacted with low concentrations of petroleum hydrocarbons. However, based on regulatory closure of the LUST sites at 116 and 160 North Main Street and since these are off-site sources, it is unlikely that these concentrations would require regulatory action.

During the site visit on August 5, 2004, the PEI assessor noted several recently completed soil borings on the southern adjoining property owned by the city of Milpitas and a recently completed soil boring in the "panhandle" of 230 North Main Street. The borings were reportedly completed by a contractor for the city of Milpitas. Data from these borings (not available as of the issuance of this report) could assist in evaluating whether soil and groundwater beneath Parcel 2 has been impacted with petroleum hydrocarbons and whether additional assessment is necessary. However, in lieu of this data, a subsurface investigation would be required to assess potential impact to Parcel 2 from off-site sources.

An Executive Summary Overview is also included on the previous page. However, when making any decisions concerning the findings of this Assessment, please also refer to the remainder of this report, which may present other items of interest that are not discussed in the Executive Summary.

SECTION II.

SCOPE OF WORK & LIMITATIONS

PURPOSE

The primary goal of this Phase I Environmental Site Assessment is to assist the client in satisfying one of the four requirements to qualify for the “innocent landowner defense” to CERCLA liability (42 U.S.C. §9601 et. seq.). The innocent landowner defense is predicated on the assumption that “...the defendant must have undertaken, at the time of acquisition, all appropriate inquiry into the previous ownership and uses of the property consistent with good commercial or customary practice in an effort to minimize liability....” The secondary goal of this Assessment is to provide information that will assist in evaluating the risk of potential value impairment of the security interest or environmental liability, as well as to provide information for various potential operational limitations and decisions based upon those potential defects.

PROTOCOL

The ASTM Standard E1527-2000 is the most widely recognized method currently used in attempting to perform the due diligence required to achieve the above purpose. The E1527-2000 Standard was created by the ASTM “...in an effort to define good commercial and customary practice in the United States of America for conducting an environmental site assessment...” The ASTM Standard E1527-2000 is intended to identify recognized environmental conditions (RECs) in connection with a given property. The term recognized environmental conditions is not intended to include “de minimus” conditions that generally do not present a material risk of harm or that are unlikely to be the subject of enforcement actions by governmental agencies. Other conditions or issues that are beyond the ASTM scope may also be discussed in this report, as detailed within each section.

SCOPE OF WORK

Utilizing ASTM Standard E1527-2000, as well as the scope of work discussed below and in the work authorization document, this Assessment involved: A site reconnaissance of the subject property, limited observations of adjoining properties, a review of the historical usage of the subject property, and a review of relevant documentation provided by various public and private sources (including the client and/or owner of the subject property) to evaluate the presence or likely existence of:

- ◆ Recognized environmental conditions, specified by ASTM E1527-2000 as: “the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, groundwater or surface water of the property.”

- ◆ A brief evaluation and assessment of potential environmental issues which may not rise to the level of recognized environmental conditions, such as: obviously improper hazardous material or waste handling, off-site issues, suspect asbestos-containing materials, lead-based paint, polychlorinated bi-phenyls, and radon gas.

LIMITATIONS

As discussed in ASTM E1527-2000, no Phase I ESA can completely eliminate uncertainty regarding the potential for RECs in connection with a subject property. This investigation is simply intended to reduce uncertainty within reasonable limits of time and cost.

The observations contained within this Assessment are based upon conditions readily observable during the site visit. These observations are typically unable to address conditions of areas not inspected, hidden from view, subsurface soil, groundwater, underground storage tanks, neighboring properties, and the like, unless specifically mentioned. It is not the purpose of this Assessment to determine the actual presence, or degree or extent of contamination (if any) at the subject property. Unless specifically noted within this report, this Assessment does not include observations, testing, coring, or sampling analysis to address groundwater, soil, or extraneous materials contamination (including mold issues) in or on the subject property. This Assessment does not include or address reasonably ascertainable environmental liens recorded against the subject property.

PEI makes no warranties or guarantees as to the accuracy or completeness of information obtained from or compiled by others. Information may also exist which was beyond the scope of this investigation, or was not provided to PEI that may have an impact on the conclusions of this Assessment. This Assessment does not attempt to address past or forecast future site conditions.

This Assessment has been conducted and prepared in accordance with generally accepted practices and procedures exercised by reputable professionals under similar circumstances. PEI makes no other warranties or guarantees, either expressed or implied, as to the findings, opinions, or recommendations contained in the report, or as to the existence or non-existence of RECs at the subject property.

SECTION III.

GENERAL SITE DESCRIPTION

Pinnacle Environmental, Inc. (PEI) was retained by Apton Properties, LLC (Client) to perform a Phase I Environmental Site Assessment (Phase I ESA or Assessment) of two parcels adjoining the north (Parcel 1) and south (Parcel 2) of 230 North Main Street in Milpitas, California. At the time of the August 5, 2004 site visit, Parcel 1 was a triangular shaped parcel that was a portion of the Railroad Avenue right-of-way and Parcel 2 was a rectangular parcel that was part of the Weller Lane right-of-way. Both parcels were mostly paved with asphalt except for a narrow undeveloped grassy strip abutting the 230 North Main Parcel. The subject property location is shown on various Figures in the appendix.

During the site visit, which was performed by public access methods, the PEI Assessor was unaccompanied.

Mr. Badru Valani, owner of the adjoining property at 230 North Main Street, was identified as the "Key Site Manager." As defined by ASTM E1527-2000, the Key Site Manager is that person having good knowledge of the uses and physical characteristics of the subject property, and in a position to provide reasonably accurate information for the Key Site Manager Questionnaire. Mr. Valani completed the Key Site Manager Questionnaire subsequent to the site visit. A copy of the questionnaire is included in the appendix of this report. No REC's were identified as a result of the questionnaire review.

A. PREVIOUS ENVIRONMENTAL DOCUMENTATION

Previous environmental documentation concerning the subject property which was provided to PEI by the Client included a map indicating the location of Parcel 1 and 2 and a September 2002 Phase I report by MGE Engineering, Inc. (MGE) for the commercial property located at 230 North Main Street. The MGE Phase I contained a summary of historical documentation reviewed for the commercial property which adjoins Parcels 1 and 2. The MGE summary is presented below:

Phase I Environmental Site Assessment on subject property for Alfaro's Bakery completed by Professional Service Industries (PSI) dated March 28, 1996. PSI concluded, "Asphalt patches in the southern and northern portions of the Main Street parcel are evidence of the former or current existence of Underground Storage Tanks (USTs) on this site. The former ownership of this parcel by Standard Oil of California, a city directory listing indicating the presence of a service station in 1970, and aerial photographs confirming the service station's existence, referencing a UST on the southernmost rectangular portion of the Winsor Street parcel". In addition, PSI stated that "the apparent use of the property as a railroad depot or siding could suggest the presence of railroad-related hazardous materials, primarily oils used for ballasting, and wheel grease that commonly falls from railcars". PSI recommended a Phase II subsurface investigation of the site.

Well Installation Report – Prepared by Gettler-Ryan, Inc (GRI) for Chevron Products Company dated November 12, 1996. This report was prepared after a March 1996 limited subsurface investigation that consisted of 15 Geoprobe borings to approximately 17 feet. Petroleum hydrocarbons were detected in all soil and groundwater samples.

Historically, GRI stated that a combination bulk plant and fuel service station operated on the site from prior to 1920 until the early 1970s. Exact dates pertaining to Chevron's operation were not available at the time of the GRI investigation. The service station operation was located in the southwestern corner of the site and consisted of: a garage building and several other buildings; two dispenser islands; and two USTs of unknown volume situated near the dispenser islands. The bulk plant facilities consisted of: an office building and warehouse near the eastern property boundary; a railroad spur between the two buildings and the eastern property boundary; a pump house to transfer product from railcars to on-site storage; three above ground storage tanks (ASTs) of unknown volumes near the northern end of the property which (at the time of the 1920 site plan) appear to have contained "Pearl Oil" (kerosene), "Flight" (possibly fuel), and "Standard Gasoline"; and a loading rack situated near the center of the property. The ASTs, loading rack, and dispenser islands have been removed. The USTs are reported to have also been removed. However, data related to the exact dates of UST removals were not available at the time of the GRI investigation.

Four two-inch PVC monitoring wells (MW-1 through MW-4) were installed on October 5, 1996. Groundwater was measured at 6.7 to 7.6 feet below ground surface (bgs) with a groundwater gradient to the northwest. GRI concluded that low detectable concentrations of total petroleum hydrocarbons as gasoline (TPH-g), benzene, and TPH-diesel were found in saturated soil samples. TPH-g was found in MW-2 and MW-3. Benzene was detected in MW-3 and MW-4, and TPH-d was found in all monitoring wells. GRI recommended that the wells be monitored on a quarterly basis for a period of one year to evaluate fluctuations of groundwater elevation, flow direction, and dissolved hydrocarbon concentrations.

Request for Notifications to Responsible Party, Milpitas Transmission, 130 Winsor Street – Letter from Kleinfelder, Inc. to Santa Clara Valley Water District (SCVWD) dated June 18, 1996 - Kleinfelder issued this letter to SCVWD stating that it believed that weathered gasoline and related constituents detected in the GRI investigation in groundwater sample B-15 are from an off-site source, most likely Milpitas Transmissions (MT), because: 1) MT is directly upgradient 60 feet to the south-southeast, 2) MT has a known gasoline release, 3) groundwater in Milpitas Transmission's open UST excavation is shallow, and 4) a conveyance mechanism is present (migration via a utility conduit).

Cleaning and Inspection of 2-Stage Clarifier at 230 North Main Street – Letter from Semco/HK2, Inc. (Semco) to Owens Financial dated March 4, 1996 - Semco cleaned and disposed the contents of an approximate 1,000-gallon two-stage double-wall clarifier on the subject property in February 1996. Approximately 900 gallons of oily water and sludge were removed. Semco concluded a visual inspection after cleaning did not indicate fissures, cracks or openings that would allow a release or migration of the contents to the subsurface. However, this cannot be verified with certainty unless the clarifier is removed.

2nd, 3rd & 4th Quarter 1998 Groundwater Monitoring & Sampling Reports completed by Gettler-Ryan, Inc. for Chevron dated May 24th, August 10 and December 30, 1998 respectively. The Chevron cover letter for the December 30, 1998 report to the SCVWD states, "The low concentration, diesel range hydrocarbon plume appears to be stable and attenuating. Based on the low levels of petroleum hydrocarbons currently present in the site wells, Chevron requests that the site be considered for case closure". The last sampling results indicated that soil concentrations of TPH-g were 1,500 parts per million (ppm), TPH-d were 54 ppm and unidentified hydrocarbons (i.e. alcohol and ether compounds) of 880 ppm. The last sampling results indicated that groundwater concentrations of TPH-g were 61 parts per billion (ppb), TPH-d were 480 ppb, benzene were 1.2 ppb, and unidentified hydrocarbons of 280 ppm.

Fuel Leak Site Case Closure – Chevron No. 9-0670 – Santa Clara Valley Water District dated December 28, 1998. The SCVWD letter is a transmittal of the UST case closure letter stating that "the subject fuel leak case is closed". However, the letter states that "residual petroleum hydrocarbon contamination are present in the soil and groundwater at this site". The letter concludes: "Based on information in the above-referenced file and with the provision that the information provided to this agency was accurate and representative of site conditions, no further action related to the underground tank release is required."

Soil Investigation Report completed by Geotechnical Engineering, Inc. (GEI) dated August 13, 2002. GEI reported that the "odor of hydrocarbons was smelled in the 2nd and 3rd borings during sampling." These two borings were apparently located in the area of the former fuel service station USTs.

The above discussion is only a brief summary of the information that is found in the full report(s) listed above. The report(s) should be read in their entirety to obtain a more complete understanding of the information provided, and to aid in any decisions or actions that may be made or taken based on that information. PEI assumes the information in the report(s) is accurate, unless specifically stated.

In addition, as discussed in ASTM E1527-2000, information previously reviewed by another consultant is not required to be re-researched as long as that information is believed to be accurate and is not contradicted by new documentation. In the preparation of this report, PEI may have used certain information presented in the previous report(s), with verification or new research performed where appropriate. Reference is provided in the relevant section where such information is used.

B. ADJOINING AND ADJACENT PROPERTIES

As discussed in ASTM E1527-2000, an adjoining property is any real property whose border is contiguous or partially contiguous with the subject property, or would be if the properties were not separated by a roadway, street or other public thoroughfare. For the purposes of this report, an adjacent property is any real property located within approximately one block of the subject property's border.

Specifically, Parcel 1 is bordered by the following:

- North: Immediately by a triangular concrete median, then by the westbound lane of Railroad Avenue, then by a two-story commercial building occupied by a chiropractor.
- East: Immediately by the northern portion of the commercial property 230 North Main Street, then by railroad tracks, then further by a commercial/light industrial complex.
- South: Immediately by the commercial property at 230 North Main Street, then by Weller Lane (Parcel 2), then by a parking lot and the city of Milpitas Senior Center (future library, former grammar school).
- West: Immediately by Main Street, then by single-family dwellings.

Specifically, Parcel 2 is bordered by the following:

- North: Immediately by the commercial property at 230 North Main Street, then by Railroad Avenue (including Parcel 1), then by a two-story commercial building occupied by a chiropractor.
- East: Immediately by intersection of Winsor Lane and the southern panhandle portion of 230 North Main Street, then by railroad tracks, then further by a commercial/light industrial complex.
- South: Immediately by the east bound lane of Weller Lane, a parking lot and the city of Milpitas Senior Center (future library, former grammar school), then further by commercial development.

West: Immediately by Main Street and the intersection of Weller Lane, then by single-family dwellings.

C. USGS TOPOGRAPHIC MAP

The subject property's physical setting was researched employing a United States Geological Survey (USGS) 7.5 Minute Topographic Quadrangle (Quad) Map relevant to the subject property. The USGS 7.5 Minute Quad Map has an approximate scale of 1 inch to 2,000 feet, and shows physical features such as wetlands, roadways, mines, and buildings. The USGS 7.5 Minute Quad Map was used as the Standard Physical Setting Source, and is sufficient as a single reference. A copy is included in the appendix.

The most recent Milpitas Quad Map (dated 1979) shows no physical features that are likely to environmentally impact the subject property. The subject property is identified as unspecified urban developed land. No mines, wells, or wetlands were noted in the immediate area of the subject property. The elevation of the subject property is approximately 15 feet above mean sea level with a slight topographic gradient to the northwest.

D. GENERAL HYDROGEOLOGIC CHARACTERISTICS

The general area of the subject property is located within the Santa Clara Valley physiographic province of California that consists of alluvium, lake playa, and terrace deposits of both unconsolidated and semi-consolidated materials. This geomorphic province includes mostly Mesozoic and Cenozoic aged sedimentary rocks and is characterized by a series of northwesterly trending folds and faults. The region has undergone a complex geologic history of sedimentations, volcanism, folding, faulting, uplift and erosion.

The soil underlying the area of the subject property has been generally characterized as:

Orestimba silty loamy-clay - consisting of poorly-drained, moderately fine-textured soil underlain by sedimentary alluvium. Permeability is considered very slow (source: Soil Survey of Santa Clara County, California; United States Department of Agriculture, Soil Conservation Service [USDA/SCS], 1993).

Site-specific groundwater information (groundwater monitoring wells measured from 1996 to 1998 on the 230 North Main Street site) indicates that groundwater is located at approximately 5 to 8 feet bgs with a general northwesterly direction of flow. However, groundwater can be influenced by several factors, and can fluctuate over time.

SECTION IV.

HISTORICAL REVIEW

The site historical review is used to develop an understanding of the previous uses of the subject property and surrounding area in an effort to identify the likelihood of past uses, or activities having environmentally impacted, the subject property. The historical review consisted of a search of various public and private Standard Historical Sources, as detailed in the sections below.

As defined by ASTM E1527-2000, a Standard Historical Source is considered complete if the information contained within the source provides the required information back to 1940, or to the first developed use (including agricultural). Ideally, the information should be available in either five-year intervals or site milestone events (i.e., initial construction activities, demolition activities, etc.). However, available public and private historical sources do not always fulfill this goal, in which case, the closest approximation is made based upon the sources readily available at the time of historical review.

Historical Review Summary: From the historical information review discussed below, PEI concludes that the subject Parcels 1 and 2 have been structurally undeveloped right-of-ways/roads since at least 1919. The adjoining commercial property (230 North Main Street) has been developed since at least 1919. The southern adjoining commercial property (160 North Main Street) was developed as a grammar school in 1916. No dry cleaners, gasoline stations, major landfills, military bases or heavy industrial businesses were identified on the subject Parcels; however, the adjoining property at 230 North Main Street was a bulk fuel/gas station from the 1920s to 1970s.

A. AERIAL PHOTOGRAPH REVIEW

Aerial photographs were reviewed to evaluate past land-use patterns of the subject property and vicinity. The photos were supplied by the U.S. Geological Survey in Menlo Park, California (1939 to 1981 photographs) and TerraServer Imagery (<http://terraserver.microsoft.com>, 1993 aerial photograph), and GlobeXplorer (<http://imageatlas.globexplorer.com>, 2000 aerial photograph). This review revealed the following:

- 1939: Parcel 1 is a portion of a paved road (Main Street) on the north side of the commercial property 230 North Main Street. Parcel 2 is a portion of unpaved road (Weller Lane) at the south side of 230 North Main Street. No structures are evident on either subject parcel. 230 North Main Street is developed with a bulk fuel facility. Three ASTs are noted on the northern portion of the property and a building fronts the southern boundary along Weller Lane. North of Parcel 1: Main Street, then an undeveloped parcel. East of Parcel 1: the northern portion of 230 N. Main St., then undeveloped land and railroad tracks, then agricultural land. East of Parcel 2: the unpaved intersection of Weller Lane and Winsor St., then and undeveloped land and railroad tracks.

South of Parcel 2: an undeveloped lot, then a school. West of Parcels 1 & 2: Main Street, then undeveloped land and scattered dwellings and agricultural land.

1948: This aerial photo is similar to the 1939 photo, with the exception of that Weller Lane (Parcel 2) appears to be paved.

1960: Parcel 1 is a portion of a paved road (Main Street) on the north side of the commercial property 230 North Main Street. Parcel 2 is a portion of paved road (Weller Lane) at the south side 230 North Main Street. No structures are evident on either parcel. 230 North Main Street is developed with a bulk fuel facility. The three ASTs formerly located on the northern portion of the 230 North Main Street property and the building on the southern boundary of that site noted in the 1948 photograph are not present in this photograph. A rectangular building is now noted along the eastern border of the commercial property and an "L-shaped" service building is noted at the northeast corner of Main Street and Weller Lane (adjoining Parcel 2). The rest of this aerial photo is similar to the 1948 photo.

1963, 1965, and 1968: These aerial photographs are similar to the 1960 photo.

1974: Parcel 1 is a portion of a paved road (Main Street) on the north side of the commercial property 230 North Main Street. Parcel 2 is a portion of paved road (Weller Lane) at the south side 230 North Main Street. No structures are evident on either parcel. 230 North Main Street is developed with a bulk fuel facility. Additional development is noted on the eastern border of the commercial property and an "L-shaped" service building is noted at the northeast corner of Main Street and Weller Lane (adjoining Parcel 2). The rest of this aerial photo is similar to the 1968 photo. North of Parcel 1: the bend at Main Street is noted with the current concrete median separating Railroad Avenue (formerly Main Street) and Marylinn Drive, then an undeveloped parcel. East of Parcel 1: the northern portion of 230 N. Main St., then undeveloped land and railroad tracks, then undeveloped land. East of Parcel 2: the unpaved intersection of Weller Lane and Winsor St., then storage along the "panhandle" portion of 230 North Main Street, then undeveloped land and railroad tracks. South of Parcel 2: an undeveloped lot, then a commercial building, then further by commercial development. West of Parcel 1: Main Street, then a parking lot (for a former K-Mart). West of Parcel 2: Main Street, then the extension of Weller Lane.

1980: This photograph is similar to the 1974 photograph with the exception that several of the structures on the commercial property at 230 North Main Street have been demolished including the "L-shaped" building at the northeast corner of Main Street and Weller Lane.

1993: This photograph is similar to the 1980 photograph with the exception that the eastern adjoining property east of the railroad tracks has been developed with a larger light industrial/commercial complex.

2000: Parcels 1 and 2 were paved right-of-ways as observed during the site visit. The former K-Mart commercial building and parking noted in the 1993 photograph has been redeveloped into single-family residential dwellings. The surrounding land usage is similar to that observed during the site visit.

B. BUILDING PERMIT REVIEW

Since there were no structures observed on the subject property in aerial photographs from 1939 to 2000 and since no addresses are reported to be associated with these parcels, building permits were not reviewed for Parcels 1 & 2. However, these parcels are currently public right-of-ways. Based on visual observations, these parcels do contain various utility conduits (e.g. water, sewer, etc.) as shown in the parcel map provided by the Client.

C. SANBORN FIRE INSURANCE MAP REVIEW

PEI attempted to review Sanborn Fire Insurance Maps for the area of the subject property as provided by EDR. Sanborn Maps are detailed drawings that show the location and use of structures on a given property during specific years. These maps were originally utilized by insurance companies to assess fire risk, but are now utilized as a valuable source of historical and environmental-risk information. However, according to EDR, no maps were available for the subject property.

D. CITY STREET DIRECTORY REVIEW

Based upon the other significant historical sources available, the historical street right-of-way nature of the subject property (no structures with addresses), and the confirmed previous agricultural usage, city street directories were not reviewed for the subject property.

E. INTERVIEWS

PEI interviewed Mr. Badru Valani, the owner of the commercial property at 230 North Main Street. Mr. Valani reported that the proposed parcel additions (Parcels 1 & 2) are portions of Railroad Avenue and Weller Lane. Mr. Valani was unaware of previous development of those parcels or any hazardous material contamination from the current operations or from past subject property usage.

F. RECORDED LAND TITLE RECORDS

As specified in ASTM E1527-2000, recorded land titles are records usually maintained by the municipal or county recorder of deeds which detail ownership fees, leases, land contracts, easements, and other encumbrances attached to or recorded against the subject property. Due to state land trust regulations and laws, land-title records typically only provide trust names, owner's names, or easement holders, and not information concerning previous uses or occupants of the subject property. Additionally, environmental liens recorded against a given property are considered outside the scope of recorded land-title records. Therefore, this Assessment has relied upon other standard historical information sources which are typically more informative than recorded land titles.

SECTION V.
AGENCY RECORDS REVIEW

In an effort to evaluate whether the subject property or nearby sites have reported USTs, hazardous waste generation, or hazardous material releases, regulatory information from the federal, state and local agencies listed below were reviewed. The database review was provided by Environmental Data Resources, Inc. (EDR) and is reportedly the most recent database information available from each agency. A copy of the database report is included in the appendix. In addition, PEI may request state or local agency regulatory information for the subject property, targeting those agencies most likely to provide information useful for this Assessment. A discussion of the number of sites identified, and of their potential impact to the subject property, is detailed on the following pages. The primary databases reviewed with their search range criteria are listed below:

Federal Database	Search Range
USEPA NPL/Superfund database:	1.0 mile
USEPA CERCLIS database:	0.5 mile
USEPA ERNS database:	0.125 mile
USEPA RCRIS facilities databases	
TSD Facilities:	0.5 mile
Corrective Action Sites:	0.5 mile
Generators:	0.25 mile

State/Local Database	Search Range
State Superfund databases:	1.0 mile
State Landfills database:	0.5 mile
State/Local LUST databases:	0.5 mile
State/Local UST/AST databases:	0.25 mile
State Spills databases:	0.125 mile
Local generator databases:	0.125 mile

PEI's Agency Records Request/Search Range:

Santa Clara Valley Water District /Subject Property

A. REVIEW OF FEDERALLY REPORTED ENVIRONMENTAL DATA

The review of the federal environmental databases listed below attempts to identify environmental problem sites, activities, and occurrences from the records of the U.S. Environmental Protection Agency (USEPA). The detailed listing, and a map showing the location of the sites relative to the subject property, is included in the appendix.

National Priorities List (NPL) of Superfund Sites:

The NPL is the USEPA's database of hazardous waste sites currently identified and targeted for priority cleanup action under the Superfund program. A search of the NPL database identified the following number of Superfund sites within the specified database search range:

Number of Sites	Number Listed at Subject Property
None	None

Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980:

Mandated as part of the 1980 Superfund Act, the CERCLIS (Comprehensive Environmental Response, Compensation and Liability Information System) list is an EPA compilation of the sites investigated, or currently being investigated, for a release or potential release of a regulated hazardous substance under the CERCLA regulations. A search of the CERCLIS and CERC-NFRAP (no further remedial action planned) databases identified the following number of sites within the specified database search range:

Number of Sites	Number Listed at Subject Property
None	None

Emergency Response Notification System (ERNS):

The ERNS database is the historical record of reported releases of hazardous substances reported to the USEPA. A search of the ERNS database identified the following number of releases within the specified database search range:

Number of Sites	Number Listed at Subject Property
Two (2)	None

160 North Main Street is listed twice on the ERNS database and is located on the southern adjoining parcel to Parcel 2. This site is also listed on the LUST, Cortese, UST, CHIMRS, and HAZNET databases. The first ERNS listing is noted as a "leak out of a container at hazmat collection pt". The second ERNS listing is noted as a release of 5 gallons of a "methanol & methanol chloride mix" floor stripping agent that was flushed to the storm drain. Based on the nature of these releases, it is unlikely they have environmentally impacted the subject property.

The other ERNS site (86 North Main Street) is described as contaminated soil found during a backhoe excavation at a private residence. The source of impact was suspected as gasoline from USTs at the city yard next door (116 North Main Street). Based on the distance (approximately 450 feet west-southwest of the subject property), this site appears unlikely to environmentally impact the subject property.

Resource Conservation and Recovery Act Information System (RCRIS) Treatment, Storage, and Disposal (TSD) Facilities:

The RCRA program identifies and tracks hazardous waste from generation source to the point of ultimate disposal. The RCRIS-TSD facilities database is the composite of reporting facilities that transport, store, or dispose of controlled or hazardous waste. Identification on this list does not indicate that a site has impacted the environment. A search of the RCRIS-TSD database identified the following number of facilities within the specified database search range:

Number of Sites	Number Listed at Subject Property
None	None

RCRIS Generator Facilities:

The RCRIS program identifies and tracks hazardous waste from generation source to the point of ultimate disposal. The RCRIS generator facilities database (large and small quantity generators) is the composite of reporting facilities that generate hazardous waste. Identification on this list does not indicate that a site has impacted the environment. A search of the RCRIS facilities database identified the following number of sites within the specified database search range:

Number of Sites	Number Listed at Subject Property
Two (2)	None

Two RCRIS small quantity generators, Contempo Design West (212 Railroad Avenue) and Calaveras Auto Parts (27 East Carlo), are listed greater than 1/8-mile east and south of the subject property, respectively. These sites do not adjoin the subject property, and are also not listed as out of compliance, and are therefore unlikely to environmentally impact the subject property.

RCRIS Corrective Action (RCRIS-CA) Sites:

The RCRIS-CA report contains information pertaining to facilities which have conducted, or are currently conducting corrective actions as regulated by the Resource Conservation and Recovery Act. A search of the RCRIS-CA list identified the following number of sites within the specified database search range:

Number of Sites	Number Listed at Subject Property
None	None

B. REVIEW OF STATE-REPORTED ENVIRONMENTAL DATA

Results of the state regulatory records search follow. Each section begins with a description of the database searched and the corresponding responsible state or local agency. The detailed listing, and a map showing the location of the sites relative to the subject property, is included in the appendix.

CalSites Databases:

CalSites combines the former ASPIS (Abandoned Sites Program Information System), Annual Work Plan (AWP), and Bond Expenditure Plan (BEP - State Superfund List) hazardous waste site databases. A search of the CalSites databases identified the following number of sites within the specified database search range:

Number of Sites	Number Listed at Subject Property
None	None

Solid Waste Facilities and Landfills (SWLF):

The State Solid Waste Facilities and Landfills databases include an inventory of solid waste disposal facilities and landfills. A search of these databases identified the following number of sites within the specified database search range:

Number of Sites	Number Listed at Subject Property
None	None

Leaking Underground Storage Tanks (LUSTs):

State and/or local agencies maintain inventories of LUSTs in a statewide database. A search of the LUST database identified the following number of reported LUST sites within the specified search range:

Number of Sites	Number Listed at Subject Property
Twenty	None

Seven sites are listed more than once on the EDR database, leaving thirteen (13) sites within the database search radius.

The 230 North Main Street address is listed twice on the LUST database as Owens Financial Group (status "case closed") and Chevron #09-0670. According to the EDR, the site was listed in May 1996 with a release of gasoline that had impacted groundwater that was discovered during UST closure operations. The site is listed with the status "case closed". Parcel 1 is located to the north of 230 North Main Street and extends into the Railroad Avenue right-of-way. Based on the previous site characterization efforts at the adjoining 230 North Main Street site, Parcel 1 is directly downgradient from three former ASTs associated with the former Chevron fuel facility. Historical assessment near Parcel 1 on the 230 North Main Street property included two soil borings (B-3 and B-4) and the installation of a monitoring well (MW-1) in the location of B-3. Historical concentrations in MW-1 have indicated concentrations of total petroleum hydrocarbons as diesel (TPHd) and kerosene (TPHk) at 510 and 270 parts per billion (ppb), respectively. No benzene, toluene, ethylbenzene, or xylene (BTEX) or TPH as gasoline (TPHg) components were noted in groundwater samples from MW-1. Based on the proximity of MW-1 to Parcel 1, it is likely that low concentrations of TPHd and TPHk may be found in shallow groundwater beneath Parcel 1. In addition, it would appear the source of the petroleum hydrocarbons are from the former

ASTs and USTs associated with the Chevron fueling facilities located on the 230 North Main Street property to the south.

The southern adjoining property, Milpitas Senior Center (a.k.a. Corporation Yard) at 160 North Main Street, is listed as a LUST site. The site was listed in 1990 with a release of gasoline that impacted groundwater that was discovered during UST closure. The site is listed with the status "case closed" as of November 2001. Based on the data included in the closure report, the groundwater gradient is northwesterly. Downgradient wells MW-5 (closest to Parcel 2) and MW-6 were non-detect for gasoline constituents.

Further south of the subject property, the old city of Milpitas Corporate yard, 116 North Main Street, is listed as a LUST site. The site was listed in 1990 with a release of gasoline that impacted groundwater that was discovered during UST closure. The site is listed with the status "case closed" as April 2001. The maximum concentration of methyl-tertiary-butyl-ether (MTBE) concentration reported at that site was 26.9 parts per billion (ppb).

Further south-southeast of the subject property, Milpitas Transmission at 130 Winsor Street, is listed as a LUST site. The site was listed in 1994 with a release of gasoline that impacted groundwater that was discovered during UST closure. The site is listed with the status "pollution characterization" as of March 1994. The maximum concentration of methyl-tertiary-butyl-ether (MTBE) reported at that site was 25 parts per billion (ppb) as of August 2003. No other information was reported regarding this property. Based on information from a February 2004 Initial Plume Identification Report, the groundwater gradient at this property is westerly. Downgradient borings closest to the subject property (Parcel 2) did not indicate the presence of gasoline or petroleum hydrocarbons constituents.

Parcel 2 is located to the south of 230 North Main Street and extends into the Weller Lane right-of-way. Based on the previous site characterization efforts at 230 North Main, Parcel 2 is upgradient from the former Chevron fuel facility and likely would not be significantly impacted by former petroleum hydrocarbon releases at the northern adjoining facility. However, Parcel 2 is located potentially downgradient from three other former LUST sites including: Milpitas Senior Center (160 North Main Street), Old Corporate Yard (116 North Main Street), and Milpitas Transmission (a.k.a Michael's Auto Repair at 130 Winsor Street). The 116 and 160 North Main Street sites are both owned by the city of Milpitas and are listed as "other groundwater affected-case closed". Milpitas Transmission at 130 Winsor Street is listed as "other groundwater affected-pollution characterization". Due to impact to groundwater at all three of these apparently downgradient LUST sites, there is the potential that groundwater beneath Parcel 2 is impacted with low

concentrations of petroleum hydrocarbons. However, based on regulatory closure of the LUST sites at 116 and 160 North Main Street and since these are off-site sources, it is unlikely that these concentrations would require regulatory action.

During the site visit on August 5, 2004, the PEI assessor noted several recently completed soil borings on the southern adjoining property owned by the city of Milpitas and a recently completed soil boring in the "panhandle" of 230 North Main Street. The borings were reportedly completed by a contractor for the city of Milpitas. Data from these borings (not available as of the issuance of this report) could assist in evaluating whether soil and groundwater beneath Parcel 2 has been impacted with petroleum hydrocarbons and whether additional assessment is necessary. However, in lieu of this data, a subsurface investigation would be required to assess potential impact to Parcel 2 from off-site sources.

Based upon the distance (greater than 1/8-mile), status, or cross or down-gradient groundwater locations of the remaining 14 sites, they are unlikely to have environmentally impacted the subject property.

Cortese Database:

The Cortese list contains hazardous waste and substance sites compiled pursuant to Assembly Bill 3750 (Cortese, Chapter 1048, Statutes of 1986). The information included in this list was compiled with information from the California DTSC, the State Water Resources Control Board, and the California Waste Management Board. A search of the Cortese database identified the following number of sites within the specified search range:

Number of Sites	Number Listed at Subject Property
Twelve (12)	None

These sites are discussed in the LUST section above.

Underground Storage Tanks (USTs):

USTs are regulated under Subtitle I of the RCRA, and must be registered with the State Underground Storage Tank Program. These are registered USTs only, and identification on this list(s) does not necessarily indicate that the site has impacted the environment. A search of the UST database(s) identified the following number of sites within the specified search range:

Number of Sites	Number Listed at Subject Property
Eight (8)	None

Five of these sites are listed on the LUST database (including the sites at 116 & 160 North Main Street and 130 Winsor Street) and are discussed in the LUST section above.

The former K-Mart (75 Weller Lane, northwest adjoining property across Main Street) is listed with a former waste oil UST. The remaining two UST sites are located than 600 feet from the subject property. Based upon the distance, status, and cross or down-gradient groundwater locations of these sites, they are unlikely to have environmentally impaired the subject property.

Toxic Pits Database:

The Toxic Pits report contains information for suspected toxic pits sites in California where clean-up has not yet been completed, as provided by the State Water Resources Control Board. This was a one-time only database produced in 1995. A search of the Toxic Pits database identified the following number of sites within the specified database search range:

Number of Sites	Number Listed at Subject Property
None	None

State Spills Databases:

The California Hazardous Materials Incident Report System (CHMIRS) and Spill, Leaks, Investigations, and Cleanups (SLIC) databases contain information for all reported hazardous material/waste surface or groundwater contamination investigations reported in California. A search of the SLIC and CHMIRS databases identified the following number of sites within the specified database search range:

Number of Sites	Number Listed at Subject Property
Five (5)	None

The Milpitas Corporate Yard at 160 N. Main Street is listed as a CHMIRS site twice with incident dates of May 9, 1990 and April 21, 1991. No additional information is listed. These listings likely correspond to the ERNS sites discussed previously.

The Milpitas Transmission site at 130 Winsor Street is listed as a CHMIRS site with an incident data of June 17, 1988. No additional information is listed.

The remaining CHMIRS and CA SLIC sites listed are located greater than 600 feet from the subject property. Based upon the incident type, distance, status, and/or cross or down-gradient groundwater locations of these sites, these incidents are unlikely to have environmentally impaired the subject property.

State and/or Local Agency Generator/Permits Data:

The HAZNET data is extracted from copies of hazardous waste manifests kept by the Cal-EPA, DTSC. These manifests track hazardous wastes from generation source to the point of ultimate disposal. Permit data is generally culled from the local agency database for hazardous material handlers and generators. Identification on these lists does not indicate that a site has impacted the environment and the data has not always been verified for accuracy by the DTSC or local agencies. A search of the HAZNET and Permit data identified the following number of reported sites within the specified database search range:

Number of Sites	Number Listed at Subject Property
Eight (8)	None

Owens Financial at 230 North Main Street is listed as a HAZNET generator of 3.75 tons of waste oil and mixed oil that was disposed of via recycler. Based on the type of waste disposed of on this property, it is unlikely this listing has environmentally impacted the subject property.

The former K-Mart (75 Weller Lane, northwest adjoining property) is listed on the HAZNET database with the disposal of 0.62 tones of organic liquids at a transfer station. Greystone Homes (the residential developer of the former K-Mart property) is listed with the disposal of poly chlorinated biphenyls (PCBs) via recycler. Based on the downgradient location of this property and the fact that it was redeveloped with residential uses, it is unlikely to have environmentally impacted the subject property.

The Milpitas Senior Center (160 N. Main St., southern adjoining property) is listed as a generator of "household waste". Based on the type of waste generated at this property, it is unlikely this listing has environmentally impacted the subject property.

Bob Winsor and Milpitas Transmission (130 N. Winsor, approx. 300 feet south-southeast of the subject property) are listed as HAZNET generators. Bob Winsor is listed with the disposal of 0.65 tons of "other empty containers 30 gallons or more" via recycler. Milpitas Transmission is listed with 0.138 tons of "oil/water separator sludge" disposed of via recycler. Based on the type of waste disposed of on this property, it is unlikely these listings have environmentally impacted the subject property.

The remaining sites are located at least 500 feet away. These sites are not listed as out of compliance on the HAZNET database, and are not listed on other databases with reported environmental impact. Based upon their status and/or distance, these sites are unlikely to have environmentally impaired the subject property.

Orphan Unplottable Sites:

"Orphan" sites are those which could not be plotted by EDR using conventional geo-coding methods, typically because the information provided in the original government database was unclear, incorrect or missing. A listing of orphan sites (if any) appears at the end of the EDR database, immediately after the last plottable site description.

PEI reviewed the orphan list for sites with the same name as the subject property (if applicable) and/or the same or similar property address. This review is inherently limited by the incomplete and/or possibly incorrect data reported in the orphan listings. For orphans apparently not related to the subject property, only those obviously located adjoining or within a short distance that may affect the property are discussed. Orphan sites which are also listed in the plotted section are not re-discussed.

PEI's review of the orphan list revealed no obvious sites of concern listed at or adjoining the subject property.

C. LOCAL AGENCY RECORDS SEARCH

The following is a discussion of the results of written records requests PEI made to state or local government agencies and/or personal/telephone contacts made to provide information relevant to the subject property:

Santa Clara Valley Water District (SCVWD):

MGE contacted the SCVWD in an effort to evaluate whether hazardous material incidents or USTs have been reported at subject Parcels 1 & 2. The SCVWD informed PEI that they had maintained file information by case number and address. Since there is no addresses associated with the subject property, SCVWD would have no file on the individual subject parcels. However, SVWD did have a closure letter on file for the commercial property at 230 N. Main Street. The closure letter and site characterization information was available for PEI to review on-line at their website www.valleywater.org and at their offices. In addition a closure letter for the Milpitas Senior Center at 160 N. Main Street (southern adjoining property) was available. The closure for both of these sites is discussed in the LUST section (Section V-B) of this report. Copies of their closure letters are included in the appendix.

SECTION VI.

SITE VISIT OBSERVATIONS

A. SURFACE CHARACTERISTICS

At the time of the August 5, 2004 site visit, Parcel 1 was an approximate 3,490 square foot triangular shaped parcel that was a portion of the Railroad Avenue right-of-way. Parcel 2 was an approximate 4,820 square foot rectangular parcel that was part of the Weller Lane right-of-way. Both parcels were mostly paved with asphalt except for a narrow undeveloped grassy strip abutting the 230 North Main Parcel. No structures were noted on these parcels except for various utility accesses including stormwater, power and sewer. The landscaping appeared to be in good condition with no signs of unnatural or chemically induced stress. Minor surface staining was observed on the asphalt along Parcel 2, and was likely the result of leaking vehicles. No pits, ponds, lagoons, or impoundments potentially containing hazardous materials were observed on the subject property. Weather conditions at the time of the site visit consisted of clear skies, with temperatures in the 80s.

B. WASTEWATER AND STORMWATER MANAGEMENT

No wastewater was generated on the parcels. Surface run-off from the subject property is expected to flow into an observed stormwater drain on Parcel 1 and along the street right-of-way on Parcel 2. The storm drain on Parcel 1 was inspected and appeared to be in good visible condition, with no significant staining observed around their perimeters. No significant staining was noted along the curb (Weller Lane) at Parcel 2.

C. POTABLE WATER SUPPLY AND SEWER SERVICE

The parcels, if connected to water and sewer, would be supplied by the city of Milpitas. During the course of the site inspection, no obvious evidence of active or abandoned water supply wells or septic systems was observed.

D. STRUCTURE CONSTRUCTION

No buildings or structures were noted on these parcels.

E. BUSINESS OPERATIONS DESCRIPTION

According to the Milpitas Planning Department, the subject property was zoned for mixed uses (zone MXD). At the time of the site visit, the area in the vicinity of the subject property consisted of commercial businesses and residential dwellings. There are no indications that Parcels 1 and 2 have been used for storing hazardous materials and/or generating hazardous wastes above de-minimus quantities. PEI's research indicates no dry cleaners, gasoline stations, military bases, or major manufacturing operations have occupied the Parcels 1 and 2. However, the adjoining property, 230 North Main Street, was a bulk oil and gas station from the 1920s to 1970s.

SECTION VII.
HAZARDOUS MATERIAL/WASTE OBSERVATIONS

A. HAZARDOUS MATERIALS HANDLING AND STORAGE

No hazardous materials handling, storage, or disposal were observed on the subject property during the site visit.

B. WASTESTREAM GENERATION, STORAGE AND DISPOSAL

During the inspection, no hazardous waste generation or improper hazardous waste disposal was observed on the subject property. No stained or discolored sinks, drains, catch basins, drip pads, or sumps were noted. Additionally, there were no observed spills around surface drains, pipes, gutters, spouts, or tubes.

C. SOLID WASTE DISPOSAL

No municipal waste dumpster was observed at the subject property.

D. ABOVEGROUND STORAGE TANKS (ASTs)

No ASTs were observed at the subject property during the site visit.

E. UNDERGROUND STORAGE TANKS (USTs)

As discussed in the Section V (Agency Records Review) of this report, no USTs were reported at the subject properties. In addition, no visual or physical evidence of current or past USTs was discovered during the site visit. In particular, PEI searched for: fill pipes, vent pipes, manways, manholes, access covers, concrete pads not homogeneous with surrounding surfaces, concrete built-up areas potentially indicating pump islands, abandoned pumping equipment, or fuel pumps.

SECTION VIII.
OTHER POTENTIAL ISSUES OF CONCERN

A. PCB-CONTAINING EXTERIOR ELECTRICAL TRANSFORMERS

No electrical transformers were observed at the subject property.

B. OTHER PCB-CONTAINING INTERIOR OR EXTERIOR EQUIPMENT

No structures were observed at the subject parcels.

C. SUSPECT ASBESTOS-CONTAINING MATERIALS (ACMs)

No ACMs were observed on the subject parcels.

D. LEAD-BASED PAINT (LBP)

PEI's scope of work did not include a lead-based paint (LBP) inspection or survey and no suspect lead-based paint (LBP) was observed except for road and curb painting.

E. LEAD IN DRINKING WATER

No drinking water was supplied to the subject parcels.

F. AIR QUALITY

No unusual smells, odors, or visual emissions were noted during the inspection of the subject property. However, these observations are general in nature and should not be construed as an air quality assessment.

G. RADON

According to the USEPA, the general area of the site has a Radon Zone Level of 2, which has a predicted average indoor screening level of between 2.0 picoCuries per liter of air (pCi/l) and 4.0 pCi/l. This level is generally below the EPA action level of 4.0 pCi/l. Therefore, based upon the reported subsurface characteristics of the area, the subject property exhibits a low potential for high-level radon exposure.

H. RAILROAD RIGHT-OF-WAYS

A railroad right-of-way was identified adjoining the subject property to the east. The right-of-way did not appear to extend through or branch (spur) onto the subject property. There are several potential environmental risks associated with railroad right-of-ways, including the usage of herbicides and pesticides to maintain the tracks and the potential spillage of hazardous materials. However, during the site inspection, no obvious evidence of hazardous material spillage or contamination was observed along the section of railway adjoining the subject property. Therefore, based on PEI's observations during the site visit, it appears unlikely the subject property has been environmentally impacted by railway uses.

SECTION IX.
ADJOINING PROPERTY OBSERVATIONS

As discussed below, based upon limited observations of the adjoining properties from publicly accessible locations, as well as a review of federal, state, and local environmental databases, it is possible that some of the adjoining properties have environmentally impacted the subject property.

A. ADJOINING PROPERTIES MATERIALS STORAGE

Visual observations of the southern adjoining property (160 North Main) indicated several 55-gallon drums of soil cuttings and groundwater from subsurface site characterization activities. Recent soil borings and utility line markings were also noted on the southern adjoining property.

Visual observations of the portions of the remaining adjoining properties visible from the subject property or public roadways did not indicate the exterior storage of hazardous materials or wastes. No indications of spillage or staining were noted in the observable exterior areas of these sites. Additionally, no obvious indications of improper hazardous material storage or unusual or suspicious materials handling or storage practices were observed.

Historically, nearby properties utilized various hazardous materials, and some of these sites may have impacted the environment (refer to Executive Summary and Section V-B).

B. ADJOINING PROPERTIES WASTESTREAM DISPOSAL

No unusual or suspicious wastestream disposal activities were observed on the portions of the adjoining properties visible from the subject property or public roadways.

SECTION X.
STATEMENT OF THE ENVIRONMENTAL PROFESSIONALS

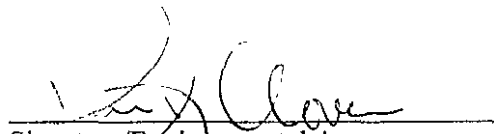
This Assessment has been performed for the exclusive use and benefit of the addressee(s) identified on the cover of this report, or agents directly specified by it (them), for the transaction at issue concerning the subject property described in this report. This Assessment shall not be used or relied upon by others without the prior written consent of Pinnacle Environmental, Inc. and of the addressee(s) named on the cover of this report.

STATEMENT OF QUALITY ASSURANCE

I have performed this Assessment in accordance with ASTM E1527-2000 and the scope of services identified in this report and the service agreement. The conclusions contained within this Assessment are based upon site conditions I readily observed and were reasonably ascertainable and present at the time of the site inspection. The findings and conclusions represent my best professional opinion and judgment.

The conclusions and recommendations stated in this report are based upon personal observations made by employees of PEI and upon information provided by others. I have no reason to suspect or believe that the information provided is inaccurate.

Signature of Registered Environmental Assessor - *Peter K. Cloven, CEM, REA #07347*:

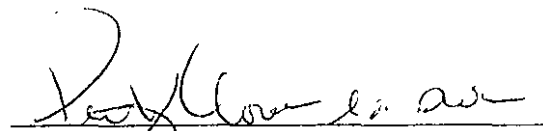

Signature/Environmental Assessor



STATEMENT OF QUALITY CONTROL

The objective of this Phase I ESA was to ascertain the potential presence or absence of RECs that could impact the subject property, as delineated in the scope of services and limitations identified in this report and in the service agreement. The procedure was to perform reasonable steps in accordance with the existing regulations, currently available technology, and generally accepted environmental consulting practices, in order to accomplish the stated objective.

Signature of Environmental Reviewer - *David W. Copp, CHMM, REA #05148*:


Signature/Environmental Reviewer